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State of Utah
DEPARTMENT OF NATURAL RESOURCES
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October 9, 1996

Tom Bachtell
Buena Ventura Resources Corporation
215 South State Street, Suite 550
Salt Lake City, Utah 84111

Re: Tentative Approval of Notice of Intention to Commence Large Mining Operations, Buena Ventura Resources Corporation (BVRC), Asphalt Ridge Tar Sands Mine, M/047/032, Uintah County, Utah

Dear Mr. Bachtell:

The Division has completed a review of the information submitted by BVRC in response to our review letter of August 21, 1996. This information was received by the Division on September 20, 1996, and included one volume with changes shown in redlined text, and two copies of the same volume without redlined text. In addition, we received your facsimile of October 9, 1996, describing demolition and removal costs for the processing facilities. The Division has sent out public notices stating our intention to issue tentative approval. We anticipate publication of these notices by October 16, 1996, which will officially begin the 30-day public comment period. Provided we receive no substantive comments during the public comment period, it is our intention to schedule the form and amount of reclamation surety on the December 1996 Board Hearing agenda. In order to present this matter to the Board at the December Hearing we will need a completed Reclamation Contract form (Form MR-RC) and a proposed form of reclamation surety for the yet to be determined surety amount by November 15, 1996.

We have a few remaining comments which will require a response from BVRC prior to the date of the Board Hearing. These comments are listed below:

R647-4-105.3.18 Other maps, plans, cross sections

Was the East West Section A-A' in Exhibit F intended to represent what the table of contents refers to as "Exhibit G Post Mining Cross Section Topography?" If not, please provide us with two copies of the missing Exhibit G. (AAG)

Exhibit F includes a dimension note on the final highwall slope angle of 2h:1v with overburden/waste sand placed as backfill against the highwall. A configuration of 2h:1v is

approximately 26° while the drawing depicts an angle of approximately 45° (horizontal & vertical scales are both 1" = 100'). Please clarify or correct these inconsistencies. (AAG)

Section 4.- Slope Stability of the Impact Assessment section states that overburden piles and on-site slopes (excluding highwalls) will be sloped at 2h:1v to minimize safety hazards. This exclusion of highwalls conflicts with the previously mentioned dimension note in Exhibit F. The highwall, as drawn in this exhibit, contains no benching over a vertical height of approximately 250 feet. This is not a concern to the Division provided the pit is backfilled. In the event there is no backfill against the highwall at the time of final reclamation, the Division would require the highwall to include a bench approximately 5 to 10 feet wide every 50 vertical feet. It would be more cost effective to include benching in the mining operations plan rather than construct benches at the end of the mine life. Please describe the bench configuration (if any) to be used during operations of the pit, or acknowledge acceptance of the Division's provision in the event the pit is not backfilled. (AAG)

R647-4-106.3 Estimated acreages disturbed, reclaimed, annually?

The latest submission describes the disturbed acreage over five years as approximately 25.5 acres. The surety section of the submission describes the total disturbed area as 43 acres. The Division interprets the 43 acre figure to represent the total mine disturbance over the mine life, which exceeds five years. Please confirm this or explain the different acreage figures. (AAG)

R647-4-113 Surety

The reclamation surety estimate in this latest submission omitted the task of regrading the overburden materials used to create the visual berm. The reclamation proposed for this berm consists of revegetation treatments in place. This is acceptable to the Division; however, in the event there is a shortfall of soil material for use in final reclamation of the site, the Division may require the use of the overburden materials in this berm as a topsoil supplement.

The additional information in the October 9, 1996, facsimile describes demolition and removal of tanks, demolition and onsite burial of concrete tank foundations, and demolition and onsite burial of other facilities concrete (estimated at 100 cubic yards). BVRC's estimate for these tasks is $52,823 in terms of current dollars. Adding this figure to the Division's previous estimate while omitting the amount for regrading the visual berm gives a total of $124,800 in year 2001 dollars (see copy of incomplete surety estimate attached). It is unclear whether this new figure for demolition and removal includes all the facilities shown on the "Preliminary Extraction Facility Site Plan." To clarify this, please provide a listing of the items shown on this drawing and indicate in this listing where each item was included in the reclamation estimate, or explain why these items were omitted. Please note that it is not the Division's practice to recognize salvage value for facilities and structures when considering reclamation costs. After

receiving this additional estimate information the Division will verify the total amount of reclamation surety to be required. (AAG)

Please provide a written response to these comments at your earliest convenience. If you do not have the appropriate Reclamation Contract and Reclamation Surety forms, please contact me or Tony Gallegos here at the Division as soon as possible. We will provide you with an additional letter regarding the final amount of reclamation surety after reviewing your response. Thank you for your cooperation.

Sincerely,

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
Attachment: copy of incomplete surety estimate of 10/9/96
cc: Don Ostler, DWQ
Mary Ann Wright, DOGM
M47-32.ten

RECLAMATION ESTIMATE — **DRAFT**

Buena Ventura Resources Corporation — last revision 10/09/96

Asphalt Ridge Tar Sands Mine — filename m47-32.wb2 — page "ESTIMATE"

M/047/032 — Uintah County

Prepared by Utah State Division of Oil, Gas & Mining

Details of Final Reclamation

-RECLAMATION TASKS, VOLUMES, & ACREAGES USED IN THIS ESTIMATE ARE ASSUMED
-Haul roads 3 acres; processing facilities 5 acres, berm 5 acres, ASSUME pit area 22 acres
-ASSUME demolition & removal of all processing facilities
-ASSUME visual berm to blend in with sand backfill & requiring no regrading -CHANGE
-ASSUME old pit highwalls will remain benched & partially backfilled against
-Pits will be partially backfilled with reject sands, then overburden, then topsoil
-Haul roads will be ripped/regraded, topsoiled & revegetated
-Revegetation will include mulching, discing, fertilizing & drill or broadcast seeding
-Existing SMO disturbance 5 acres; visual berm ~ 5 acres in addition to 30 acres???
-Volumes of sand, overburden & topsoil are calculated using assumptions
-Estimated disturbance for the Asphalt Ridge Tar Sands Mine = ***30.0 acres***

Activity	Quantit	Units	$/unit	$	notes
Demolition & burial of concrete, removal of tank	1	sum	BVRC	52,823	(1)
Demolition/removal of processing equipment	1	sum	BVRC	0	(A)
Grading sand backfill (1 ft depth, 22 acre)	35,493	CY	0.00	0	(2)
Placing overburden over backfill(4ft, 22 acre)	61,307	CY	0.31	19,005	(3)
Grading visual berm (5 acre, 10 ft high)	80,667	CY	0.31	0	(3)
Placing topsoil on overburden(8 inch depth)	23,662	CY	0.31	7,335	(3)
Ripping haul roads	3.0	acre	228	684	(4)
Placing soil on haul roads (1ft depth)	3.0	acre	305	915	(5)
Mulching (1 ton/acre) & crimping/discing	30.0	acre	110	3,300	(6)
Fertilizing (200 lb/acre diammonium phosphate)	30.0	acre	90	2,700	(7)
Drill seeding (estimate 80% of area)	24.0	acre	180	4,320	(8)
Broadcast seeding (estimate 20%)	6.0	acre	184	1,104	(9)
General site cleanup & trash removal	30.0	acre	50	1,500	(1)
Monitoring	3	year	600	1,800	(1)
Mobilization	3	equip	1,000	3,000	(1)
Reclamation supervision (est 6 days)	48	hours	30	1,440	(1)
		Subtotal		99,926	
10% Contingency				9,993	
		Subtotal		$109,919	
Escalate for 5 years at 2.58% per yr				.. 14,930	
		Total		$124,849	
		Rounded surety amount in yr 2001-$		**$124,800**	
Average cost per disturbed acre =	$4,160			**incomplete**	

Average cost per disturbed acre =	$4,160	Rounded surety amount in yr 2001-$	**$124,800** **incomplete**

notes

(1)	BVRC provided sum
(A)	BVRC to provide/clarify
(2)	D10N, 50 ft push ($0.19/CY)
(3)	D10N, 100 ft push
(3)	D10N, 100 ft push
(3)	D10N, 100 ft push
(4)	D10N, ripping 1.25 mph
(5)	D10N, 50 ft push, 1 ft depth
(6)	hay mulch $75, spread & disc $35
(7)	fertilizer $80, spread $10
(8)	$90 seed, $80 tractor & drill, $10 labor
(9)	$174 seed, $10 labor
(1)	DOGM estimate
(1)	from old DOGM estimate
(1)	DOGM: 1 dozer, 1 truck
(1)	DOGM

ESTIMATES OF VOLUMES	area	depth	CY
sand estimate of volume	22	1	35,493
overburden estimate of volume	22	4	141,973
topsoil estimate of volume	22	0.67	23,662
berm estimate of vol	5	10	80,667